Review of functioning of commodity exchanges

2610. SHRIMATI JAYA BACHCHAN: Will the Minister of FINANCE be pleased to state:

(a) the number of commodity exchanges and multi-commodity exchanges that are in existence and functioning at present;

(b) what is the number of notified commodities being traded by them;

(c) whether it is a fact that these exchanges are instrumental for turning many businessmen as paupers because of the futures trading and have also resulted in the unjustified increase in the price of pulses; and

(d) if so, whether Government propose to review their functioning, if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) There are 24 Commodity Exchanges, which are recognized for commodity futures trading. At present, 22 Exchanges are functioning, and out of these, 18 Exchanges are multi-commodity Exchanges.

(b) At present, there are 103 commodities notified for commodity futures trading, and out of these, active trading is taking place in 92 commodities.

(c) and (d) No Sir. The commodity futures market performs important functions of price discovery and price risk management. Forward Market Commission (FMC), the Regulator for commodity futures market, set up under the provisions of the Forward Contracts (Regulation) Act, 1952, has laid down various regulatory measures for ensuring the orderly functioning of the commodity Exchanges. These regulatory measures ensure that the prices of futures contracts traded at the Exchanges reflect demand and supply situation of a particular commodity and that the Exchanges efficiently perform the function of price discovery, which benefits all the stakeholders, including the farmer. FMC is also keeping a close watch on the developments in the commodity futures market on a continuous basis.

Evaluation of Wholesale Price Index

†2611. SHRI RAVI SHANKAR PRASAD:

DR. MURLI MANOHAR JOSHI:

Will the Minister of FINANCE be pleased to state:

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†Original notice of the question was received in Hindi.

(a) whether it is a fact that until recently prices of 435 items were taken into consideration by Government for evaluation of Wholesale Price Index in the country;

(b) if not, the actual details thereof;

(c) whether a proposal to increase the specified number of the above items is under consideration; and

(d) if so, the number of items, prices of which would be included as per the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The number of items included in the current Wholesale Price Index Series with base year 1993-94 is 435.

(b) to (d) A Working Group under the Chairmanship of Professor Abhijit Sen, Member, Planning Commission has been constituted to advise the Government on various technical issues relating to the change of the base year from the existing base year of 1993-94. The Working Group is currently engaged in deliberating the modalities for collection of weekly prices required for construction of the revised series of the WPI. The commodity basket of the current series of the WPI would be restructured based on the recommendations of the Working Group.

Growth rate of Wholesale Price Index

†2612. SHRI RAJ MOHINDER SINGH MAJITHA:
SHRI RAM JETHMALANI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that as on 17th June, 2006 the growth rate of Wholesale Price Index in the country was 5.44 per cent whereas it had come down to 4.84 percent on 24th June, 2006;

(b) if so, the details thereof;

(c) whether it is a fact that during both the periods there was an increase in the prices of the commodities of primary sector, despite reduction in the general rate; and

(d) if so, the details thereof and the reasons for price hike in the commodities of the primary sector?

†Original notice of the question was received in Hindi.